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No. 88-9

Supreme Court, U.S.
FILED
SEP 13 1988
JOSEPH F. SPANIOL, JR.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

PHONE-MATE, INC.,

Petitioner,

vs.

FORTEL CORPORATION,

Respondent.

SUPPLEMENTAL BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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Cases

Ex parte Fortel, Inc. Appeal No. 87-3389, Slip Op. (Board of Patent Appeals and Interferences, United States Patent and Trademark Office, August 17, 1988) ..... 1, 2, 3 and A1

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SUPPLEMENTAL BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Respondent, Fortel Corporation, respectfully submits this supplemental brief in order to bring to the attention of the Court a recent unreported decision by the Board of Patent Appeals and Interferences of the United States Patent and Trademark Office (the "Board") affecting Fortel's patent here in suit, No. 3,903,369 (the "369 patent"). The Board's unanimous decision is reprinted as an Appendix hereto. In its decision the Board reversed the Examiner and held claims 1 through 5 of the '369 patent to be patentable over the prior art.

In order to place the Board's decision in the context of the issues raised by Petitioner's opening brief, Respondent's brief in opposition, and Petitioner's reply brief, the following chronology of pertinent events has

been abstracted from the Statement Of The Case in Petitioner's opening brief.

After Respondent filed suit against Petitioner for infringement of claims 1-3 of the '369 patent, Petitioner initiated a reexamination proceeding in the United States Patent and Trademark Office (the "P.T.O."). After reexamination, an individual Examiner of the P.T.O. issued a final rejection of all five claims of Respondent's patent. Thereupon, Respondent filed an appeal to the Board and Petitioner filed a motion for summary judgment of invalidity of the patent in the District Court. The District Court, citing the reexamination by the P.T.O. Examiner, granted a judgment that claims 1-3 of plaintiff's '369 patent are invalid.

On appeal, the Court of Appeals for the Federal Circuit, reading the patent claims in the context of the patent specification, reversed the District Court for the reason that "in determining the validity of claims of an issued patent, the claims must be construed to uphold their validity, if possible. [Citation omitted]. Here, the court has done the opposite, reading the term "clock pulses" much more broadly than it is used in the specification to hold the claim invalid".

In noting (footnote 2, Petitioner's opening brief, Appendix A, page A5) that "the district court was clearly influenced by the examiner's rejection of the claims on reexamination, which may have lead to its erroneous interpretation of claim 1", the Federal Circuit further took note that in a P.T.O. reexamination, "claims are given their broadest reasonable interpretation consistent with the specification."

In its briefs, Petitioner urges that these alledgedly disparate rules of claim interpretation will lead to repeated instances in which the P.T.O. and the courts, considering identical issues of patent claim validity, will reach opposite conclusions.

Against this background, and since the filing of Petitioner's reply brief in this Court, the Board has now issued its decision on Respondent's appeal from the Examiner's rejection of claims 1-5 of the patent. See Appendix for decision dated August 17, 1988, wherein the three member Board unanimously reversed the Examiner.

It is to be noted that the Board made a final decision of the P.T.O. that is entirely consistent with that of the Federal Circuit. Also, in a manner parallel to the Federal Circuit's finding of error in the District Court's "erroneous interpretation of claim 1", the Board reversed "an unreasonable claim interpretation" by the Examiner in the P.T.O. See Appendix, page A4. The positions of the court and of the P.T.O. are in accord. Therefore, the petition should be denied.

Respectfully Submitted,

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APPENDIX A

APPENDIX A

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AUG 17 1988

P.T.M. OFFICE
BOARD OF PATENT APPEALS AND INTERFERENCES

Art Unit 235 Paper No. 26

Appeal No. 87-3389 BA
ON BRIEF

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Ex parte Fortel, Inc.

Request filed September 12, 1986, Control No. 90/001,087, for the Reexamination of Patent No. 3,903,369, issued September 2, 1975, based on application Serial No. 460,921, filed April 15, 1974. Telephone Answering System With Remote Playback.

Walton Eugene Tinsley for Appellant.
Paul L. Gardner et al. for Requestor.

Primary Examiner - A. Psitos.

Before Craig, Lindquist and Krass, Examiners-in-Chief.

Craig, Examiner-in-Chief.

This is a decision on the appeal from the examiner's holding of claims 1 through 5 in this reexamination proceeding to be unpatentable over the prior art. We reverse.

The invention relates to a telephone answering system that is remotely accessed by telephone for playback of any recorded messages. An essential component of the system is an up-down counter which has connected to its count input terminal pulses which are provided by each revolution of a reel that supports a message recording tape. The up-down counter is controlled to count up during the rewinding of the tape and count down to the starting point during playback.

The prior art references cited by the examiner are:

Silverman	3,395,401	July 30, 1968
Konno	3,894,188	July 8, 1975
Konno (Japan)	48-14205	Feb. 22, 1973

Claim 1 stands rejected under 35 U.S.C. 102 as being unpatentable over Konno or the Japanese publication and claims 2 through 5 stand rejected under 35 U.S.C. 103 as being unpatentable over the combined teachings of these references. Claims 1 through 5 stand additionally rejected under 35 U.S.C. 103 as being unpatentable over Konno considered with Silverman.

OPINION

Claim 1 contains the recitation of

> third circuit means coupled to said message storage means for introducing clock pulses to said up-down counter when said message storage means is activated.

This recitation, impliedly, limits the counter to an electronic counter. See the CAFC decision of record. Hence, a Section 102 rejection based on either Konno or the Japanese publication, both of which used mechanical counters, is not applicable.

The systems of Konno and the Japanese publication operates with two counters, TC_1 and TC_2. Counter TC_1 is reset to 0000 and counts down during rewinding of the tape. Counter TC_2 counts down to 0000 during rewinding of the tape and upon reaching 0000 stops the rewinding, reverses the direction of tape movement and starts playback. Counter TC_1 counts up during playback and terminates the playback mode upon reaching 0000. Claim 1 on appeal recites

> an up-down counter for measuring the displacement of said message storage means from its reference position
>
> second circuit means coupled to said up-down counter for terminating said rewind signal when said message storage means is returned to said reference position
>
> fourth circuit means coupled to said second circuit means for causing said up-down counter to count from a reference count to a further count as said message storage means is being returned to its reference position.

Thus, the claim is limited to *an* up-down counter and the circuit means and functions are coupled to *said* up-down counter. In the references it is the circuit means coupled to the up-down counter TC_2 that terminates the rewind signal while it is counter TC_1 which counts from a reference count 0000 to a further count during rewinding and back to 0000 during playback and terminates playback. Therefore, it is clear that in order

to read the functional operations recited in claim 1 on the system of the references, the claim language must first be read on one counter, TC_2, and then a second counter, TC_1. We, therefore, find that reading the language of claim 1 on a system that uses a pair of up-down counters to effect the functional operations where the structure of the claim system, read in the context of the claim, is to *an* up-down counter constitutes an unreasonable claim language interpretation resulting in an improper rejection. Clearly, the Konno and Japanese publications are not anticipatory of the claimed subject matter.

In accordance with the foregoing, assuming that it would have been obvious for the artisan to substitute an electronic counter for a mechanical counter, such a substitution in the Konno and the Japanese publication systems would not result in a system corresponding to the one recited in claim 1, but a system with two electronic counters. There is nothing that would have suggested to the artisan the use of *an* electronic up-down counter connected, controlled and operated in the manner set forth in claim 1. The claimed subject matter as a whole is not established as having been obvious.

None of the rejections of independent claim 1 has been sustained. Therefore, the rejections of the dependent claims also fall.

The decision of the examiner is reversed.

REVERSED

Jerry D. Craig
Examiner-in-Chief

William F. Lindquist
Examiner-in-Chief

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State of California

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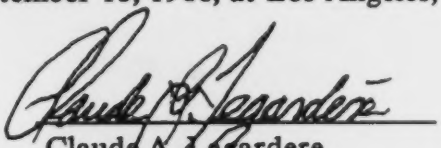
County of Los Angeles

I, the undersigned, say: I am and was at all times herein mentioned, a citizen of the United States and a resident of the County of Los Angeles, over the age of eighteen (18) years and not a party to the within action or proceeding; that my business address is 10835 Santa Monica Boulevard, Suite 200, Los Angeles, California 90025; that on September 13, 1988, I served the within *Supplemental Brief of Respondent in Opposition to Petition for Writ of Certiorari to the United States Court of Appeals for the Federal Circuit* in re: "Phone-Mate, Inc. vs. Fortel Corporation," by depositing true copies thereof, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail at Los Angeles, California, addressed as follows:

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I declare under penalty of perjury that the foregoing is true and correct. Executed on September 13, 1988, at Los Angeles, California.



Claude A. Lagardere
(Original signed)